



Universidade do Minho

Documentos de Trabalho  
Working Paper Series

**“An Organizational Capacity model for wine  
cooperatives”**

Maria de Fátima Souza  
Ana Carvalho

NIPE WP 10/ 2018

NÚCLEO DE INVESTIGAÇÃO EM POLÍTICAS ECONÓMICAS  
UNIVERSIDADE DO MINHO

# **“An Organizational Capacity model for wine cooperatives”**

Maria de Fátima Souza  
Ana Carvalho

**NIPE\* W10/2018**

**URL:**

<http://www.nipe.eeg.uminho.pt/>



UNIÃO EUROPEIA

Fundo Europeu  
de Desenvolvimento Regional



Fundação para a Ciência e a Tecnologia  
MINISTÉRIO DA EDUCAÇÃO E CIÊNCIA

*«This work was carried out within the funding with COMPETE reference nº POCI-01-0145-FEDER-006683 (UID/ECO/03182/2013), with the FCT/MEC's (Fundação para a Ciência e a Tecnologia, I.P.) financial support through national funding and by the ERDF through the Operational Programme on "Competitiveness and Internationalization – COMPETE 2020 under the PT2020 Partnership Agreement»*

**Title: An Organizational Capacity model for wine cooperatives**

Authors:

(1) Maria de Fátima Souza

Address:

Federal University of Tocantins  
Quadra 109 Norte, Avenida NS-15, ALCNO-14  
Plano Diretor Norte | 77001-090 | Palmas/TO  
Brazil  
Email: mfarrudasouza@gmail.com

Affiliation:

Federal University of Tocantins and NIPE

(2) Ana Carvalho

Address:

School of Economics and Management  
University of Minho  
Campus de Gualtar  
4710-057 Braga  
Portugal  
Email: anac@eeg.uminho.pt  
Phone: +351 253 604510

Affiliations:

University of Minho: School of Economics and Management and NIPE

\*Corresponding author

Aknowledgements: «This work was carried out within the funding with COMPETE reference nº POCI-01-0145-FEDER-006683, with the FCT/MEC's (Fundação para a Ciência e a Tecnologia, I.P.) financial support through national funding and by the ERDF through the Operational Programme on "Competitiveness and Internationalization – COMPETE 2020 under the PT2020 Partnership Agreement»

## **Title: An Organizational Capacity model for wine cooperatives**

### **Abstract**

We propose a model of Organizational Capacity for wine cooperatives. Cooperatives are organizations with distinct characteristics, in particular, they have a dual nature: they are simultaneously a business and non-profit driven organizations owned by their members. This poses specific challenges to cooperative management. Organizational Capacity is a construct developed for nonprofit organizations, but it has not been applied to cooperatives. Based on a qualitative study with 19 wine cooperatives in Portugal, we developed an organizational capacity model that accounts for the social and the economic dimensions of cooperatives and the peculiarities of their identity. The model comprises seven interdependent capacity elements: infrastructure, financial, strategic planning, marketing, human resources, relationship with members, and management capacity. We explore each of these capacities and how they relate to each other, highlighting their specific relevance in cooperatives.

**Keywords:** organizational capacity, cooperatives, wine cooperatives, Portugal.

## INTRODUCTION

Cooperatives are a considerable social and economic force in the world, providing more jobs than all multinational corporations together (Goel, 2013). There are over 2.6 million cooperatives globally with about 1 billion members. Cooperatives contribute to sustainable economic growth, employing 250 million people. Within the G20 countries, cooperative employment makes up almost 12% of the total employed population (ICA, 2015b).

The wine business is a highly competitive global industry. In Portugal, the business is important to the economy and wine is part of the culture of the country. In fact, there is wine production in all regions of Portugal. Although wine production has fallen in most European countries since 2000, Portugal saw a 5% increase. In 2015, 274 million hectoliters of wine were produced globally, 6.3 million of which were produced in the country. Portuguese cooperatives were responsible for 39% of this (IVV, 2017).

Despite competing in the same market, cooperatives are organizations that differ from for-profit companies in many aspects. Members own and control the cooperative democratically. The purpose of cooperatives is to maximize members' service and satisfaction and to promote and assist community development. Any surplus revenues earned by the cooperative are reinvested in the business or returned to members based on how much business they conducted with the cooperative that year (Courderc & Marchini, 2011; ICA, 2015a; Nilsson, 1996; Saïsset, Courderc, & Saba, 2011). Companies, on the other hand, are owned by investors, often controlled by shareholders. The purpose of investor-owned firms (IOF) is to maximize investors' returns, and profits return to them based on ownership share (Saïsset, Courderc, & Saba, 2011).

Cooperatives are also different from non-profit organizations (NPO). Although profit is not the purpose in either of them, cooperatives are business organizations that act in the

market as any other investor-owned firm (IOF). The economic dimension is the means by which the cooperative reaches its social dimension, satisfying the members. On the other hand, NPO aims to serve the public interest by delivering a service or product to the community. These organizations depend on donations, philanthropy, and voluntarism to operate, attending to needs in assistance areas such as health, education, housing, and so on (ICA, 2015c; Nilsson, 2001).

Two components define the cooperatives' identity, known as the dual nature of cooperatives (Nilsson, 1996; Pache & Santos, 2013; Puusa, Mönkkönen, & Varis, 2013). The first is the economic component related to being a business enterprise. The second is the primeval social component characterized by serving the social group of members. The difficulties posed by this duality in cooperatives, added to the challenges of facing a fiercely competitive business, justify the need to provide wine cooperatives with the capacity to survive and achieve its social purpose towards members.

Although cooperatives have particular characteristics, make a substantial contribution to the economy and occupy a prominent position in the history of organizations, few studies have been published about their management (Puusa, Hokkila, & Varis, 2016; Puusa et al., 2013; Rebelo & Caldas, 2015). Wine cooperatives, in particular, are even less present in the scientific literature. Indeed, most publications in scientific journals are in areas other than management, or other types of cooperatives, which have different characteristics when compared to wine cooperatives.

There is no recipe that guarantees high performance, but some resources and abilities make it more likely for cooperatives to reach their goals and become successful. Success is hard to define in cooperatives but can be expressed as realizing the purpose of the organization, that is, satisfying the needs of its members while remaining sustainable. As Rebelo, Caldas, & Matulich (2010) declare, agricultural cooperatives are

successful if they provide higher economic benefit to the members. So, what are the capacities that can potentially drive wine cooperatives to achieve their goals?

The construct of Organizational Capacity (OC) has been developed mainly in the context of NPO, with the underlying goal of improving their performance (Eisinger, 2002; Hall et al., 2003). The purpose of OC studies is to identify the main capabilities required for the organization to meet its objectives. These capabilities may differ across contexts and organizations, and the challenge is to find the set of capacities that best fit the organization under study. Once the organization is aware of the required capacities, it can devote time and resources to developing them to improve performance. Therefore, the concept has great potential to identify the factors that lead a cooperative to success. Eisinger's (2002) definition of OC is “a set of attributes that help or enable an organization to fulfill its missions” (p.117), As such, OC directly influences organizational effectiveness.

The model of organizational capacity for cooperatives can provide managers, members, and employees of wine cooperatives guidance to evaluate organizational capacity. Understanding the specific dimensions of OC in wine cooperatives can help them strengthen their position and consequently might improve the lives of producers and promote rural development. As Bhuyan & Leistritz (2001) argue, knowing the factors that lead some cooperatives to succeed may help other cooperatives enhance their ability to succeed too.

Therefore, the purpose of this article is to propose a model of OC for wine cooperatives, addressing this gap in the literature. The research question to be answered in this study is: What are the dimensions of organizational capacity that will potentially lead wine cooperatives to achieve success?

## **COOPERATIVES**

A cooperative is a member group, described as a people-centered organization and identified by a cooperative concept that promotes the principles of self-help, self-dependence, and self-government (Puusa et al., 2016). Members are patrons (buying/selling/working), owners (financing), controllers (leading the business) and beneficiaries (receiving the surplus) at the same time (Nilsson, 1996). Gupta (2014) argues that cooperatives exist as experiments of democracy because they allow members to be part of something big without losing the sense of ownership and participation. The purpose of cooperatives is not only to provide benefits to the members but also to generate a sufficient amount of surplus to maintain the long-term survival of the cooperative (Puusa et al., 2016).

Cooperatives are unique organizations due to their principles, means-and-ends rationality, and the inherent diversity of interests that make them different from IOF and NPO (Mooney & Gray, 2002). For instance, IOF distribute dividends to shareholders while cooperatives use patronage refunds to share the net surplus with their members (Nilsson, 1996). When compared to NPO, the main difference is that cooperatives are economic organizations while NPO exist to serve the public interest.

According to ICA (2015a) the latest version of the seven cooperative principles are: 1) Voluntary and Open Membership, 2) Democratic Member Control, 3) Member Economic Participation, 4) Autonomy and Independence, 5) Education, Training, and Information, 6) Cooperation among Cooperatives, and 7) Concern for Community. The cooperative values are democracy, equality, equity, self-help, self-responsibility, and solidarity (ICA, 2015c).



Oczkowski et al. (2013) argue that internal and external pressures influence how the cooperative follows the core principles in practice, recalling recent research that found that cooperative values and principles are applied in different ways in different contexts. Because of its dual nature – the social and the economic dimensions – the cooperative has been described as a complex organization with a variety of goals, some of which may conflict with one another (Pache & Santos, 2009; Puusa et al., 2013). Another form of duality may give rise to conflicting objectives: the peculiar double role of the members, who are both suppliers and owners. As suppliers, members may be tempted to immediately obtain prices higher than the market price for their production instead of making long-term investments with a residual surplus (Saïsset et al., 2011). Zamagni & Zamagni (2010) regard this dichotomy of the business role and the member role as precisely the reason why the cooperative organization might be considered difficult to explain and challenging to manage. Couderc & Marchini (2011) also alert that members and managers need to balance short-term individual member interest with long-term collective equity value building.

One of the most expressive forms of cooperatives is the agricultural one, where farmers come together to produce and sell their crops. Nilsson (1996) says that a farmer cooperative is a business where the farmers are the users of the organization's services. Moreover, the benefits received by the farmers from committing capital to a cooperative depends on patronage, and the formal governance of the business is democratically structured (Nilsson, 1996).

## **PERFORMANCE IN COOPERATIVES**

Whereas economic performance in IOF can be assessed using financial indicators like earnings and profits, the social dimension of NPO and cooperatives demands that other

indicators be used to assess their performance (Saïssset et al., 2011; Couderc & Marchini, 2011). A meaningful empirical evaluation of the cooperative's performance should address the dual objective nature of the organization (Soboh, Lansink, Giesen, & van Dijk, 2009). Members' returns and the continuity of the business, as the core objectives of the cooperative, must be part of this evaluation.

Several authors have attempted to develop indicators to measure performance in cooperatives (Saïssset et al., 2011; Couderc & Marchini, 2011; Kyriakopoulos et al., 2004). However, those indicators focus on different aspects of the financial performance of the cooperative and may not be as easily understood as those based on profit used to assess for-profit organizations. The search for the best indicators is a continuous effort.

To Rebelo, Caldas, & Matulich (2010), agricultural cooperatives are successful if they provide higher economic benefit to the members than they can achieve outside of the cooperative. Its ultimate purpose is, therefore, to increase the revenues of the farmer, thereby meeting the cooperative's social element, which can only be achieved if the cooperative is sustainable as a business. Mayo (2011) sustains that the most important thing is to ask members what high performance is to them. A simple and accepted way among wine cooperatives members to measure performance is the total earnings of the member, that is, the price of the grapes delivered and the surplus. So, that seems to be an acceptable parameter to evaluate wine cooperatives' success.

## **ORGANIZATIONAL CAPACITY**

Eisinger (2002, p. 117) defines Organizational Capacity as “a set of attributes that help or enable an organization to fulfill its missions.” The author continues saying that “these attributes are latent until they are mobilized.” This means that, although organizational capacity is a component of high performance, they are not synonymous. An

organization with OC has the potential to achieve high performance, but that does not mean it will. Hall et al. (2003) also claim that OC refers to “the ability to perform or produce and is often used in reference to potential” (p. 3).

Many authors have tried to explore what constitutes OC and identify its various dimensions in the context of NPO (Austin, Regan, Samples, Schwartz, & Carnochan, 2011; Connolly & York, 2003; Eisinger, 2002; Fredericksen & London, 2000; Hall et al., 2003; Suárez & Marshall, 2014; UNDP, 2007; Vita, Fleming, & Twombly, 2001). Several multi-dimensional models of OC have been proposed (Cornforth & Mordaunt, 2011), typically presenting 3 to 5 different dimensions. Despite this variety, there is mostly convergence in what authors consider OC. The recurrent, core elements of OC in NPO fall into four main categories: 1) leadership, the capacity of the manager to attract volunteers and employees to the mission and the cause; 2) financial, the capacity of raising funds and managing financial resources; 3) networking, the capacity to establish and manage relationships within the community; and 4) operational, the capacity to produce and deliver the service.

In general, models and instruments tend to be effective when used by organizations in the particular sector for which they were designed and may not apply to other organizations (Bourgeois, Whynot, & Thériault, 2015).

Although those OC models fit NPO, some features should be considered to adapt them to cooperatives. The identity of the cooperative, attached to its values and principles and its dual nature, all affect the way cooperatives work, and any model design to this type of organizations must consider it.

Besides, the peculiar role of members in cooperatives (Rebelo, Caldas & Matulich, 2010; Zamagni & Zamagni, 2010) deserves particular attention when developing a model of OC for cooperatives.

## **DEVELOPING AN ORGANIZATIONAL CAPACITY MODEL FOR COOPERATIVES**

We undertook a qualitative study in Portugal to arrive at a model of OC for wine cooperatives. The study was conducted with 19 different wine cooperatives, including two unions and one federation, from 12 different regions of wine production in continental Portugal. Theoretical sampling was used for their selection, whereby we sought to include cooperatives that would provide the best insights into the concepts under analysis, as well as representing the variety of conditions of the 67 active wine cooperatives in Portugal in 2015.

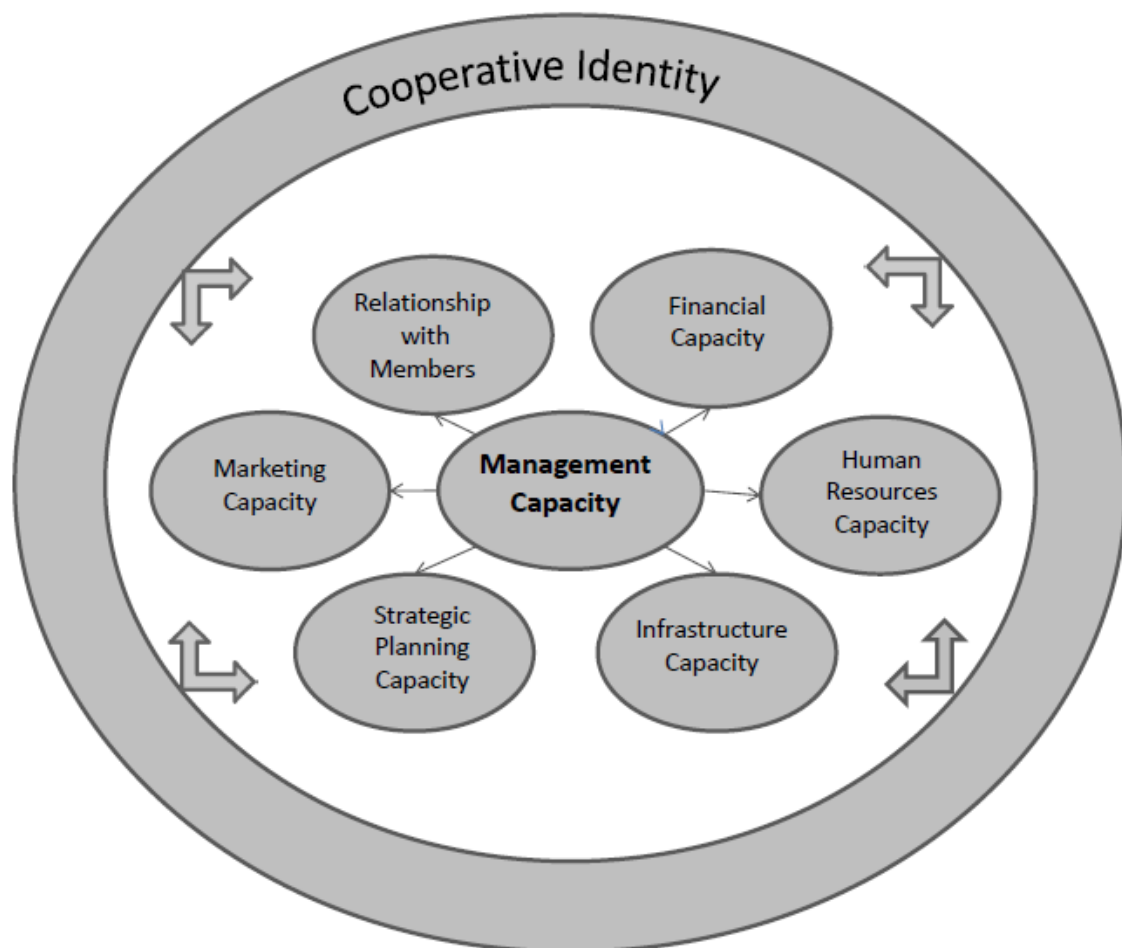
There was considerable diversity in the sample: not only were there cooperatives from different wine regions but there was also significant variation in other relevant features such as the number of active members, the volume of wine production, the price paid for the grapes and the average size of the vineyards.

Intensive semi-structured interviews were the main source of data. We interviewed 23 people: 15 cooperative members (Mbr), 13 of whom were presidents or directors of the Board of Directors (BoD) and eight managers (Mng). Of the 23, 19 were men; all four women interviewed were managers. We applied the two techniques suggested by Bryman & Bell (2011) to pursue data credibility: triangulation, by interviewing managers, directors of the BoD, and members of the cooperatives; and respondent validation, by validating the final model with six of the interviewees in the study that are experts in Portuguese wine cooperatives.

The model of the OC of wine cooperatives emerged from the interview analysis. It proposes seven interconnected dimensions: infrastructure capacity, financial capacity, strategic planning capacity, marketing capacity, human resources capacity, relationship

with members, and management capacity, as shown in Figure 1. We next describe each and explore their particular relevance in wine cooperatives.

Figure 1: Organizational capacity for wine cooperatives



### **Infrastructure Capacity**

Wine cooperatives are big plants, with big machines, requiring large areas. The infrastructure involved represents large capital investments. A BoD member explained: “Oenological equipment is very expensive.” [04BoD].

Cooperatives must invest in equipment that allows them to achieve economies of scale and scope to lower the unit cost of wine. Another way to enhance scale is accepting new

members. Although new members will benefit from the existing assets of the cooperative, they will also contribute to increase volume (Nilsson, 2001). Most of the interviewees, members of the BoD and managers, agreed that scale is a critical factor in wine cooperatives.

In the reception of grapes, for instance, cooperatives have to accept all the grapes from the members in a short period (harvest in Portugal lasts for around 30 days). The infrastructure installed has to support the total incoming grapes. Otherwise, the final product, the wine, may lose quality.

Also, each step of the transformation process requires expensive equipment: receiving bins, destemming, crushing and pressing machines, fermentation tanks, storage vats and bottling lines. Additionally, it is necessary to have cellar space for the storage of bottled wine and barrels, if the wine requires maturation. Regarding this, a manager declared, “We have made investments to increase, not only storage capacity but also the quality of storage.” [08Mng].

The current situation in many cooperatives regarding machinery is that they are obsolete. Moreover, some did not invest in the renovation of the infrastructure to meet changes in the business. As pointed out by a BoD member, because of the outdated infrastructure “production costs are very high.” [01BoD].

Wine cooperatives infrastructure is costly, and caution is required when embarking on renovations or expansions of the plant, machinery, and equipment. However, the dynamic and competitive wine business demands constant investments in this matter to guarantee low costs, scale, and quality. As such, it requires financial capacity, explained next.

### **Financial Capacity**

This capacity is related to the ability of the cooperative to pay its expenses and generate a surplus. According to the interviewees, there are two strategic financial issues in wine cooperatives. The first one is the payment of grapes. Grapes are the primary raw material for wine production, and it is the cooperative members who supply them. Cooperatives have to be able to provide a price equal or superior to the price paid by the market with a reasonable payment term.

Paying below average for the grapes or, worse, not paying at all, compromises members' trust in the cooperative; and once members lose trust, their commitment will vanish, and they will consider selling their grapes to another wine producer. In this case, the cooperative may not have enough (quality) grapes, will not be able to produce enough wine, and will not generate enough sales to pay for the grapes, and a vicious circle ensues.

The second strategic aspect that deserves particular attention is the investment in infrastructure. As explained above, new equipment can lower the production costs by improving gains of scale, increasing the processing capacity, from the reception of grapes to the production of the wine and its storage. Achieving the quality standards required by legislation and the market also require permanent investments in infrastructure. Long-term strategies, especially concerning investment in technology and other modernization, need to generate a return that guarantees the long-term viability of the winery (Alonso & Liu, 2012).

On the other hand, some cooperatives have failed because they invested in expensive new plants without enough financial capacity for it. A BoD member said that many cooperatives in his region had financial problems because the managers invested in renovations of infrastructure without the corresponding ability to pay the debt incurred.

Nilsson (2001) argues that investment decisions in cooperatives should attend to the preferences of the “average” member. However, due to the diversity of individuals preferences, only a small group will be fully satisfied (Nilsson, 2001). It is necessary that the BoD and managers understand this and seek the best solution for members and the cooperative, safeguarding long-term sustainability, which relies on strategic vision and planning.

### **Strategic Planning Capacity**

Nowadays, it is widely accepted that thinking strategically and practicing strategic management are essential to secure good organizational performance (Analoui & Samour, 2012). NPO and cooperatives are no exceptions.

Wine cooperatives must define what they want to be and where they want to be in the future. Planning is a process that requires knowledge to understand the context and to define the strategies available to approach it. Bad or lack of planning may lead the cooperative to critical situations. Decisions about investments and marketing, for instance, impact all other areas of the cooperative: financial, quality, costs, marketing, public image, and so on. One BoD member reports on the consequences of lack of planning for his cooperative: "Two or three years of overproduction can lead to serious problems. It happened to us: 2 years of overproduction with a few more [bad] investments and we ended up having a liability of 5 million euros." [01BoD].

Cooperatives have to be able to identify opportunities and threats in the environment and choose ways to achieve their goals, considering their weaknesses and strengths. There are several strategies wine cooperatives pursue, according to the type of wine they produce, the markets they want to reach and the distribution channels they can use.



Cooperatives can sell bulk wine (usually for other cooperatives or companies to bottle), “boxed” wine and bottled wine, each one associated with different levels of wine quality and price. Selling in bulk fetches the lowest prices and, in general, cooperatives sell low-quality wine in bulk. Pursuing the strategy of selling bulk wine depends on securing low production costs, and this is possible only in a few wine regions in Portugal. The price of the primary raw material (grapes) is a factor of the size, topography, and level of mechanization of the vineyard, in addition to infrastructure capacity and the gains of scale achievable.

Furthermore, it is important to be aware that a low price strategy in the wine business is risky because the costs of production in Portugal are higher than elsewhere. The new wine-producing countries, like South Africa, the USA, Australia, and others, base their strategy on a more industrialized form of viticulture to achieve high volumes, economies of scale, and consequently, competitive prices. Besides, they strongly invest in marketing their brands to promote a perception of consistent quality (Chambolle & Giraud-Héraud, 2003). Neither does a low-cost strategy promote customer loyalty. As emphasized by a manager, when the price is the main concern, "Today we are the ideal partners and tomorrow, someone knocks on the door and charges 2 cents less than us, and we are no longer the ideal partner." [06Mng].

Most of the interviewed BoD members and managers recognize that the markup is in bottled not bulk wine. However, some cooperatives see themselves forced to sell medium or top-quality wine in bulk due to marketing and infrastructure shortfalls: they either find no buyers for all their bottled wine, or the cooperative does not have the infrastructure to bottle and store all the superior wine they produced. In sum, they end up producing wine for other companies to sell and realize the greater profit.

BoD members and managers have different opinions about what strategies lead cooperatives to a sustainable future, including either focusing on high production volume, on a differentiated offer or market diversification.

Some cooperatives seek to increase their production as a means to reach new markets. A BoD member explained, "We want to invest, modernize, enhance the production capacity so that we can launch ourselves into internationalization more seriously."

[07BoD]

There are different paths for cooperatives to increase production. Joint ventures for production with other cooperatives was suggested by one interviewee, while another one has already created a commercial company to serve several cooperatives. Production can also be increased by expanding the number of members.

Differentiation seems to be a strategy sought by many wine cooperatives in Portugal. This manager acknowledges: "Great opportunities lie on differentiation, on grape varieties. The market is full of wines that end up being all the same, so [let's] bring it to the market and bet on different wines." [06Mng]

As illustrated, to achieve differentiation wine cooperatives can capitalize on the unique grape types found in the country. Cooperatives are also aware that the needs of the market change and they must develop new products to meet the trends. This requires the ability to identify what the market wants and react with the appropriate highly desired wine, relying on the marketing dimension of organizational capacity detailed ahead.

Diversifying the targeted markets is another of the strategies proposed to face unstable wine markets and fierce competition. Besides internationalization, which most cooperatives are pursuing, one cooperative presented distinct strategies from most of the others. They intended to develop wine tourism in the region as a synergistic extension of their wine production. Wine and its landscape are important for tourism. It is,

therefore, necessary to balance the competitiveness of the wine industry with the preservation of the attributes of the landscape if the intention is to develop it (Lourenço-Gomes et al., 2015). This cooperative is thus contriving to enhance its business potential while fulfilling the 7th cooperative principle, concern for community (ICA, 2015a), by contributing to its sustainable development.

In sum, there are many strategies that cooperatives can pursue, including low cost, product differentiation, market focus or diversification. However, each of these options depends on different conditions, strengths, and capabilities. So, cooperative leaders must make strategic decisions that are coherent with the reality of their region and their cooperative's capacity. Moreover, the strategy should emerge as the result of medium and long-term planning.

### **Marketing Capacity**

It is not enough to produce quality wines; it is necessary to sell them too. Sales proceeds are cooperative's main financial revenue and the ability to sell, preferably at a reasonable price, is vital for financial capacity.

Hanf & Schweickert (2014) highlight the required customer-orientation, that is based on understanding the wishes of consumers and developing brands that address customer demands. Wine cooperatives have, therefore, to invest in market research and marketing. According to Kontogeorgos (2012), brands are an intangible asset that is difficult to imitate and can generate higher returns, consumer awareness, and trade power. Brands are the opposite of a commodity, which is a product with little differentiation and solely dependent on the forces of supply and demand.

Until 1998, wine cooperatives did not have to invest in marketing because, in the words of a BoD member, customers “knocked on our door” to buy the wine.

They were production-oriented, and the market for Portuguese wine was mainly national and regional. Most of the wine sold at that time was in bulk.

After Portugal became a member of the EU, competition in the wine sector increased significantly with the expanded offer of European wine, sometimes with higher quality at lower prices. Besides, Portuguese wine cooperatives had to adapt their production to the requirements of the EU if they wanted to reach those markets. Most of the interviewees declared this was a critical time for most wine cooperatives in Portugal.

Cooperatives that did not realize the need for change in the way they approached the market went bankrupt or had financial difficulties because they could not sell their wine. Those cooperatives that survived changed to become more market-oriented and developed marketing capacity. According to a BoD member, cooperatives started to be concerned with learning about the market and customer needs to produce the wine the market expects. Moreover, cooperatives became aware of the competitiveness of the wine business and started to look outside the organization.

Nowadays, most of the interviewees accept that wine cooperatives need to prospect and develop new markets and to promote their wines nationally and internationally to achieve a good price-quality ratio and guarantee their wine reaches the consumers.

However, leaders still struggle with cooperatives' member-orientation, which can obstruct the shift towards customer-orientation as members may understand the former as permission to produce whatever they want, forcing cooperatives to deal with varieties not required, and quality standards not accepted by the market (Hanf & Schweickert, 2014).

### **Human Resources Capacity**

All organizational capacity models recognize the importance of the people involved. As Vidal-Salazar et al. (2012) declare, “the factors of organizational competitiveness are, to a great extent, linked to the abilities, skills, and competencies of human resources” (p. 2).

Like any other organization, wine cooperatives depend on people to operate. Employees are inside the cooperative every day and must be competent and motivated to perform their tasks according to the aims of the cooperative, as pointed out by this manager: “It is necessary to have a cohesive and motivated team to have things working. So, we must look at the universe of the employees of the wine cooperative.” [06Mng].

In this area, the challenge resides in balancing the need for highly qualified professionals with maintaining the specific nature of cooperatives. Increased competitiveness has placed higher demands on human resource competence and interviewees alerted to the urge for professionalization in all sectors of the cooperative. This can be achieved by training and developing current employees and by hiring already qualified professionals. The expertise of winemakers, for instance, will determine the quality of the wine. They have to develop quality wines with the grapes received from members allowing for the needs of the market, and this ability requires a set of highly qualified skills that are crucial to the cooperative.

Pressure to hire highly qualified professionals, on the other hand, may bring in individuals with no sensitivity to the specific character and principles of the cooperative. According to Nilsson (1996), “if the employees of the organization accept cooperative values much is gained since they will then probably work for the benefit of the members.” (p. 637).

The particular nature of wine cooperatives must, therefore, be understood, not only by members, managers, and BoD but also by all employees. Unless they fully accept the

purpose of a cooperative, they may behave in incongruent ways and, for instance, seek to maximize profits instead of attending to members' needs.

The BoD and managers should recognize and disseminate throughout the organization the benefits of being a cooperative and following its principles (Oczkowski et al., 2013). This fits well with the 5th principle of cooperatives – education, training, and information (ICA, 2015a) – recognizing the need to educate, not only employees, managers, and members, but also external stakeholders, the customers, and the general public.

### **Relationship with Members**

There is no cooperative without its members. Cooperatives exist because members believe they would fail if they had to act alone in the market. Being part of a cooperative allows them to fulfill their goals (Nilsson, 1996). Satisfying the needs of members is itself the purpose of the cooperative existence (Puusa, et al., 2013). The relationship between cooperatives and their members is interdependent and must be reciprocal. Members need wine cooperatives to receive their grapes, gain scale and access to the markets. In turn, cooperatives need members to guarantee the supply of grapes.

The dual role of members as owners and suppliers (Couderc & Marchini, 2011) introduces tensions that are hard to manage (Zamagni & Zamagni, 2010). Mutual trust and commitment are pivotal in achieving the right balance (Nilsson, Kihlén, & Norell, 2009). Without members' trust, there is no commitment. Trust connects members to the cooperative, securing their participation, commitment and acceptance of ownership.

In our research, BoD interviewees frequently expressed the concern that some members saw themselves primarily as suppliers, lacking commitment to the cooperative's

sustainability and focusing solely on price and payment term. When members believe they will not receive (enough) payment for their grapes, trust is destroyed, and they will try to sell them to other wine producers. This means that the cooperative cannot count on the supply of grapes. If this is recurring, the cooperative will collapse without raw material to produce wine.

When members see themselves as owners too, they accept that a lower price paid for grapes reduces the costs of producing the wine. Moreover, they realize the need to focus also on the quality of grapes to attain higher prices. These factors combined will result in a higher surplus in which they will partake in the end.

So, maintaining good relationships with members becomes vital for overall OC, and relies both on encouraging member loyalty to the cooperative's identity and purpose by reinforcing their values and principles (Puusa et al., 2013); and on ensuring fair and timely payment for the grapes.

Most cooperatives in our sample had created a system of payment to guarantee the right incentives: there was a bonus on the price of higher standard grapes and a discount on the price of sub-standard or unwanted variety grapes.

The more successful the cooperatives were, the more rigorous in penalizing members, not only reducing the price of the grapes but applying other sanctions fixed in the statutes. The extreme sanction would be member expulsion. Some cooperatives feared losing members and were more relaxed about the rules, accepting some misbehavior from their members. However, cooperatives with higher performance were those with no inactive members, ready to exclude members that did not deliver any grapes in the last three years or that committed serious misconduct, such as selling the grapes to another wine producer. This made sure that even members not especially committed to the cooperative ideals saw the benefits of following the rules or suffer the consequences.

## **Management Capacity**

The most important of this set of interdependent OC dimensions in wine cooperatives is Management Capacity. Strongly associated with the abilities of the manager and the BoD members, it integrates all other capacities: infrastructure, financial, strategic planning, marketing, human resources, and relationship with members.

According to most interviewees, the management of wine cooperatives should be the same as any other company. A BoD member attributes the failure of some cooperatives to deficiencies in management capacity; a concern shared by most wine cooperatives in Portugal. Interviewees believe, therefore, that it is vital for cooperatives to have professional managers. In fact, this happens in the largest cooperatives and seems to be a trend in those recovering from difficult times. To perform efficiently, the organization needs managers who possess “keen business knowledge, spirit of competitiveness for managerial growth and survival, as well as need to focus on certain crucial dimensions of leadership” (Jena & Sahoo, 2014, p. 148). As the cooperative grows, the tendency is to hire professional managers, so that the BoD takes care of decision control, while decision management is the responsibility of professional managers (Bijman, Hendrikse, & Aswin van Oijen, 2012).

There are some aspects to consider regarding the professionalization of management in wine cooperatives. First is the complexity of the organization. Small wine cooperatives that produce and sell only one or two products (bulk and regional wine, for instance) to the national market are less complex than those also operating internationally with many distribution channels. The former may not be so dependable of professional managers. In small cooperatives, the BoD is also the operational management (Bijman et al., 2012). Second, the cost of a professional manager is higher than the cost of a BoD



member acting as a manager and, depending on the size and success of the cooperative, this may not be affordable.

Also, the cooperative identity must be recognized although the issues faced by wine cooperatives when dealing with the market are the same as for IOF. Cooperative managers need the same business skills as managers in other types of organization. However, if they are to stay true to the cooperative ideal and achieve its goals, additional skills are required. The cooperative relies on the ability of the manager to balance the conflicting forces arising from the cooperative's dual-nature: the social dimension of satisfying members and ensuring the economic sustainability of the cooperative.

It is essential that managers incorporate cooperative values as their own and act according to them. If managers do not internalize the cooperative values, the cooperative is likely to fail (Jussila & Tuominen, 2010), since the tendency is to focus on “profit” maximization instead of satisfying members’ needs. The original purpose of cooperatives will only continue if we develop cooperative managers that embrace cooperative values (Davis, 2001).

As the core element of OC in this model, management capacity represents wine cooperatives' ability to survive and satisfy members’ economic needs. It assumes that the person in this position will be able to understand the peculiarities of wine cooperatives and their environment, as well as being competent at managing the business.

## **CONCLUSION**

Cooperatives are organizations based on two components, a social and an economic one, which means, they are both business enterprises and a social group of members.

Because of this dual nature, cooperative are organizations that have to deal with the competition in the market and fulfill the objectives of the members (Hanf & Schweickert, 2014; Pache & Santos, 2013; Puusa et al., 2013; Soboh et al., 2009). Although cooperatives are non-profit driven, they are different from NPO because of their economic dimension. On the other hand, a cooperative differs from an IOF since its purpose is not driven by profit but by their members' needs. This introduces specific challenges in cooperative management and performance evaluation (Saïssset et al., 2011; Soboh et al., 2009; Zamagni & Zamagni, 2010).

Organizational capacity was developed to evaluate NPO, and authors define it as the attributes that enable an organization to fulfill its mission (Eisinger, 2002; Hall et al., 2003). This depends on a variety of capacities that may differ according to the context and the characteristics of the organizations under study (Bourgeois et al., 2015). The context and idiosyncrasies of cooperatives have not been sufficiently analyzed.

In this article, we present a model of OC for cooperatives. From an in-depth qualitative study of wine cooperatives in Portugal, we developed a model comprising seven interdependent capacities: Infrastructure Capacity allows the cooperative to employ modern machinery and equipment to obtain gains of scale, enhance quality and increase storage capacity. Of course, this will be possible only if the cooperative has financial resources to invest. Financial Capacity is the ability to realize sufficient revenue from sales and keep liabilities under control to guarantee the survival of the cooperative. This is predicated on Strategic Planning Capacity, that is, the ability to plan activities and investments and to make long-term decisions consistent with the cooperative's circumstances and environment, including about the markets to target. Marketing Capacity is thus the ability to recognize market demands and guarantee that the wine reaches the right consumer to ensure sales and revenue. Human Resources Capacity is

the ability to secure qualified professionals, with the necessary expertise and motivation, aligned with the cooperative ideal. Although this may seem paradoxical, the same challenge applies to cooperative members. Relationship with Members is a dimension of OC peculiar to cooperatives, that exist to serve members and whose sustainability depends on their continued support as suppliers and owners. This capacity involves supporting and educating members and implementing a payment system that induces compliance with the interests of the cooperative collective.

The final and congregating core capacity of the model is Management Capacity, which is the ability of managers to lead the cooperative to achieve its goals by combining their business skills with full comprehension of the cooperative principles and logic. This will enable them to coordinate all other capacities by recognizing the cooperative identity, understanding and managing the relationships among all the environmental factors and the cooperative.

The main contribution of this research is to present a model of organizational capacity tailored to the specificities of cooperatives by examining the context and success factors of wine cooperatives. The concepts of organizational capacity are, therefore, applied in such a way that considers both the social and the economic dimensions of cooperatives. Some implications for management in wine cooperatives emerged from the findings. In particular, being aware of the peculiar features of the cooperative identity can help managers accept that cooperatives require a specific managerial approach, different from IOF or NPO. This awareness is not always present, and cooperatives must endeavor to ensure it. Moreover, the model proposed can serve as a guide for managers, providing an analytical framework with which to look at their organizations and decide which capacities, competencies, and abilities to develop to increase the cooperative's potential to succeed.

The main limitation of this study is that the model was developed to explain organizational capacity in the environment of Portuguese wine cooperatives. Its generalization is therefore not guaranteed. A promising avenue to further this research is to test the model in other cooperative contexts.

## REFERENCES

- Alonso, A. D., & Liu, Y. (2012). Coping with changes in a sector in crisis: the case of small Spanish wineries. *Journal of Wine Research*, 23(1), 81–95.  
<http://doi.org/10.1080/09571264.2011.646252>
- Analoui, F., & Samour, A. (2012). Strategic management: the case of NGOs in Palestine. *Management Research Review*, 35(6), 473–489.  
<http://doi.org/10.1108/01409171211238253>
- Austin, M. J., Regan, K., Samples, M. W., Schwartz, S. L., & Carnochan, S. (2011). Building Managerial and Organizational Capacity in Nonprofit Human Service Organizations Through a Leadership Development Program. *Administration in Social Work*, 35(3), 258–281. <http://doi.org/10.1080/03643107.2011.575339>
- Bhuyan, S., & Leistritz, F. L. (2001). An Examination of Characteristics and Determinants of Success of Cooperatives in the Non-Agricultural Sectors. *Journal of Cooperatives*, 16, 46–62.
- Bijman, J., Hendrikse, G., & Aswin van Oijen. (2012). *Accommodating Two Worlds in One Organization : Changing Board Models in Agricultural Cooperatives*. Rotterdam.
- Bourgeois, I., Whynot, J., & Thériault, É. (2015). Application of an organizational evaluation capacity self-assessment instrument to different organizations: Similarities and lessons learned. *Evaluation and Program Planning*, 50, 47–55.  
<http://doi.org/10.1016/j.evalprogplan.2015.01.004>
- Bryman, A., & Bell, E. (2011). *Business research methods* (3rd ed.). New York: Oxford University Press.
- Chambolle, C., & Giraud-Héraud, É. (2003). Certification de la qualité par une AOC: un modèle d'analyse. *Economie et Prévision*, 159(3), 83–91.

- Connolly, P., & York, P. (2003). Building the Capacity of Capacity Builders: A Study of Management Support and Field-Building Organizations in the Nonprofit Sector. *Components*, 12.
- Cornforth, C., & Mordaunt, J. (2011). Organisational Capacity Building: Understanding the Dilemmas for Foundations of Intervening in Small- and Medium-Size Charities. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 22(3), 428–449. <http://doi.org/10.1007/s11266-010-9175-z>
- Couderc, J., & Marchini, A. (2011). Governance, commercial strategies and performances of wine cooperatives. *International Journal of Wine Business Research*, 23(3), 235–257. <http://doi.org/10.1108/17511061111163069>
- Couderc, J. P., & Marchini, A. (2011). Governance, commercial strategies and performances of wine cooperatives: an analysis of Italian and French wine producing regions. *International Journal of Wine Business Research*, 23(3), 235–257.
- Davis, P. (2001). The Governance of Co-operatives under Competitive Conditions: Issues, Processes and Culture. *Corporate Governance: The International Journal of Business and Society*, 1(4), 28–39. <http://doi.org/10.1108/EUM0000000005975>
- Eisinger, P. (2002). Organizational Capacity and Organizational Effectiveness among Street-Level Food Assistance Programs. *Nonprofit and Voluntary Sector Quarterly*, 31(1), 115–130. <http://doi.org/10.1177/0899764002311005>
- Fredericksen, P., & London, R. (2000). Disconnect in the Hollow State: The Pivotal Role of Organizational Capacity in Community-Based Development Organizations. *Public Administration Review*, 60(3), 230–239. <http://doi.org/10.1111/0033-3352.00083>
- Goel, S. (2013). Relevance and potential of co-operative values and principles for

- family business research and practice. *Journal of Co-Operative Organization and Management*, 1(1), 41–46. <http://doi.org/10.1016/j.jcom.2012.11.002>
- Gupta, C. (2014). The co-operative model as a “living experiment in democracy.” *Journal of Co-Operative Organization and Management*, 2(2), 98–107. <http://doi.org/10.1016/j.jcom.2014.09.002>
- Hall, M., Andrukow, A., Barr, C., Brock, K., Wit, M. de, Embuldeniya, D., ... Vaillancourt, Y. (2003). *The Capacity to Serve*. (C. C. for Philanthropy, Ed.).
- Hanf, J. H., & Schweickert, E. (2014). Cooperatives in the balance between retail and member interests: the challenges of the German cooperative sector. *Journal of Wine Research*, 25(1), 32–44. <http://doi.org/10.1080/09571264.2014.871122>
- ICA. (2015a). Definition, values and principles. Retrieved May 10, 2015, from <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>
- ICA. (2015b). Facts and Figures. Retrieved May 10, 2015, from <http://ica.coop/en/facts-and-figures>
- ICA. (2015c). What is a Cooperative? Retrieved July 31, 2017, from <http://ica.coop/en/what-co-operative>
- IVV. (2017). Statistics. Retrieved July 31, 2017, from <http://www.ivv.min-agricultura.pt/np4/>
- Jena, S., & Sahoo, C. K. (2014). Improving managerial performance: a study on entrepreneurial and leadership competencies. *Industrial and Commercial Training*, 46(3), 143–149. <http://doi.org/10.1108/ICT-10-2013-0066>
- Jussila, I., & Tuominen, P. (2010). Exploring the Consumer Co-operative Relationship with their Members. An individual psychological perspective on ownership. *International Journal of Co-Operative Management*, 5(1), 23–33.
- Kontogeorgos, A. (2012). Brands, quality badges and agricultural cooperatives: how

- can they co-exist? *The TQM Journal*, 24(1), 72–82.
- <http://doi.org/10.1108/17542731211191230>
- Levi, Y., & Davis, P. (2008). Cooperatives as the “enfants terribles” of economics: Some implications for the social economy. *The Journal of Socio-Economics*, 37(6), 2178–2188. <http://doi.org/10.1016/j.socec.2008.06.003>
- Lourenço-Gomes, L., Pinto, L. M. C., & Rebelo, J. (2015). Wine and cultural heritage. The experience of the Alto Douro Wine Region. *Wine Economics and Policy*, 4(2), 78–87. <http://doi.org/10.1016/j.wep.2015.09.001>
- Mayo, E. (2011). Co-operative performance. *Sustainability Accounting, Management and Policy Journal*, 2(1), 158–164. <http://doi.org/10.1108/20408021111162182>
- Mooney, P., & Gray, T. W. (2002). *Cooperative Conversion and Restructuring in Theory and Practice*. Washington, DC.
- Nilsson, J. (1996). The nature of cooperative values and principles: Transaction cost theoretical explanations. *Annals of Public and Cooperative Economics*, 67(4), 633–653. <http://doi.org/10.1111/j.1467-8292.1996.tb01411.x>
- Nilsson, J. (2001). Organisational principles for co-operative firms. *Scandinavian Journal of Management*, 17(3), 329–356. [http://doi.org/10.1016/S0956-5221\(01\)00010-0](http://doi.org/10.1016/S0956-5221(01)00010-0)
- Nilsson, J., Kihlén, A., & Norell, L. (2009). Are Traditional Cooperatives an Endangered species? About Shrinking Satisfaction, Involvement and Trust. *International Food and Agribusiness Management Review*, 12(4), 101–122.
- Oczkowski, E., Krivokapic-Skoko, B., & Plummer, K. (2013). The meaning, importance and practice of the co-operative principles: Qualitative evidence from the Australian co-operative sector. *Journal of Co-Operative Organization and Management*, 1(2), 54–63. <http://doi.org/10.1016/j.jcom.2013.10.006>



- Pache, A.-C., & Santos, F. (2013). Inside the Hybrid Organization: Selective Coupling as a Response to Competing Institutional Logics. *Academy of Management Journal*, 56(4), 972–1001. <http://doi.org/10.5465/amj.2011.0405>
- Puusa, A., Hokkila, K., & Varis, A. (2016). Individuality vs. communality - A new dual role of co-operatives? *Journal of Co-Operative Organization and Management*, 4(1), 22–30. <http://doi.org/10.1016/j.jcom.2016.02.002>
- Puusa, A., Mönkkönen, K., & Varis, A. (2013). Mission lost? Dilemmatic dual nature of co-operatives. *Journal of Co-Operative Organization and Management*, 1(1), 6–14. <http://doi.org/10.1016/j.jcom.2013.06.002>
- Rebelo, J., & Caldas, J. (2015). The Economic Role of the Portuguese Agricultural Cooperatives. *Revista de Economia E Sociologia Rural*, 53(1), 91–102. <http://doi.org/10.1590/1234-56781806-94790053s01007>
- Rebelo, J., Caldas, J., & Matulich, S. C. (2010). Performance of Traditional Cooperatives : the Portuguese Douro Wine Cooperatives. *Economia Agraria Y Recursos Naturales*, 10(2), 143–158.
- Saïsset, L.-A., Courderc, J.-P., & Saba, M. B. (2011). Cooperative Performance Measurement Proposal: a test with the cooperfic © tool for wine cooperatives in Languedoc – Roussillon. *6th AWBR International Conference*.
- Soboh, R. A. M. E., Lansink, A. O., Giesen, G., & van Dijk, G. (2009). Performance measurement of the agricultural marketing cooperatives: The gap between theory and practice. *Review of Agricultural Economics*, 31(3), 446–469. <http://doi.org/10.1111/j.1467-9353.2009.01448.x>
- Suárez, D., & Marshall, J. H. (2014). Capacity in the NGO Sector: Results from a National Survey in Cambodia. *Voluntas*, 25(1), 176–200. <http://doi.org/10.1007/s11266-012-9331-8>

- UNDP. (2007). Capacity Assessment Methodology User's Guide. United Nations Development Programme.
- Vidal-Salazar, M. D., Hurtado-Torres, N. E., & Matías-Reche, F. (2012). Training as a generator of employee capabilities. *The International Journal of Human Resource Management*, 23(13), 2680–2697. <http://doi.org/10.1080/09585192.2011.610971>
- Vita, C. J. de, Fleming, C., & Twombly, E. C. (2001). Building Nonprofit Capacity: A framework for addressing the problem. In C. J. de Vita & C. Fleming (Eds.), *Building Capacity in Nonprofit Organizations* (pp. 5–30). Retrieved from [http://www.urban.org/UploadedPDF/building\\_capacity.PDF](http://www.urban.org/UploadedPDF/building_capacity.PDF)
- Zamagni, S., & Zamagni, V. (2010). *Cooperative enterprise: facing the challenge of globalization*. Cheltenham, UK: Edward Elgar Publishing.

## *Most Recent Working Paper*

NIPE WP 10/2018	<b>Sousa, Maria de Fátima e Ana Carvalho</b> , "An Organizational Capacity model for wine cooperatives", 2018
NIPE WP 09/2018	Kurt R. Brekke, Tor Helge Holmås, Karin Monstad e <b>Odd Rune Straume</b> , "How does the type of remuneration affect physician behaviour? Fixed salary versus fee-for-service", 2018
NIPE WP 08/2018	<b>Martins, Susana e Cristina Amado</b> , "Financial Market Contagion and the Sovereign Debt Crisis: A Smooth Transition Approach", 2018
NIPE WP 07/2018	<b>Amado, Cristina</b> , Annastiina Silvennoinen e Timo Teräsvirta, "Models with Multiplicative Decomposition of Conditional Variances and Correlations", 2018
NIPE WP 06/2018	Lisi, Domenico, Luigi Siciliani e <b>Odd Rune Straume</b> , "Hospital Competition under Pay-for-Performance: Quality, Mortality and Readmissions", 2018
NIPE WP 05/2018	<b>Magalhães, Pedro C. e Luís Aguiar-Conraria</b> , "Procedural Fairness, the Economy, and Support for Political Authorities", 2018
NIPE WP 04/2018	<b>Aguiar-Conraria, Luís</b> , Manuel M. F. Martins e Maria Joana Soares, "Estimating the Taylor Rule in the Time-Frequency Domain", 2018
NIPE WP 03/2018	<b>Sousa, Rita</b> , Elsa Agante, <b>João Cerejeira e Miguel Portela</b> , "EEE fees and the WEEE system – A model of efficiency and income in European countries", 2018
NIPE WP 02/2018	<b>Sochirca, Elena e Francisco José Veiga</b> , "Key determinants of elite rivalry: theoretical insights and empirical evidence", 2018
NIPE WP 01/2018	<b>Siciliani, Luigi e Odd Rune Straume</b> , "Competition and Equity in Health Care Market", 2018
NIPE WP 13/2017	<b>Aguiar-Conraria, Luís, Maria Joana Soares e Rita Sousa</b> , "California's Carbon Market and Energy Prices: A Wavelet Analysis", 2017
NIPE WP 12/2017	Mustapha Olalekan Ojo, <b>Luís Aguiar-Conraria e Maria Joana Soares</b> , "A time-frequency analysis of the Canadian macroeconomy and the yield curve", 2017.
NIPE WP 11/2017	<b>Sousa, Rita</b> , Adérito Santana e Inês Mourão, "Low-Emission Energy Outlook in a Small Island Developing States – The case of Sao Tome And Principe", 2017
NIPE WP 10/2017	Vareiro, Laurentina, <b>J. Cadima Ribeiro e Paula Remoaldo</b> , "Destination attributes and tourist's satisfaction in a cultural destination", 2017
NIPE WP 09/2017	<b>Amado, Cristina</b> , Annastiina Silvennoinen e Timo Teräsvirta, "Modelling and forecasting WIG20 daily returns", 2017
NIPE WP 08/2017	Almeida, André, Hugo Figueiredo, <b>João Cerejeira, Miguel Portela, Carla Sá e Pedro Teixeira</b> , "Returns to Postgraduate Education in Portugal: Holding on to a Higher Ground?", 2017
NIPE WP 07/2017	Magalhães, P. e <b>Luís Aguiar-Conraria</b> , "Procedural Fairness and Economic Voting", 2017
NIPE WP 06/2017	<b>Veiga, Francisco José e Linda Gonçalves Veiga</b> , "Term limits and voter turnout", 2017
NIPE WP 05/2017	Brekke, Kurt R., Tor Helge Holmas, Karin Monstad e <b>Odd Rune Straume</b> , "Competition and physician behaviour: Does the competitive environment affect the propensity to issue sickness certificates?", 2017
NIPE WP 04/2017	<b>Sochirca, Elena e Francisco José Veiga</b> , "Measuring political rivalry and estimating its effect on economic growth", 2017
NIPE WP 03/2017	<b>Esteves, Rosa-Branca e Sofia Cerqueira</b> , "Behavior-Based Pricing under Imperfectly Informed Consumers", 2017
NIPE WP 02/2017	<b>Esteves, Rosa-Branca e Joana Resende</b> , "Personalized Pricing with Targeted Advertising: Who are the Winners?", 2017
NIPE WP 01/2017	Bohn, Frank e <b>Francisco José Veiga</b> , "Political Opportunism and Countercyclical Fiscal Policy in Election-year Recessions", 2017
NIPE WP 13/2016	Bernardino, Susana, <b>J. Freitas Santos e Sandra Fagundes</b> , "Uma abordagem qualitativa ao papel do capital social no desenvolvimento de iniciativas sociais em Portugal", 2016
NIPE WP 12/2016	<b>Castro, Vitor</b> , "Functional components of public expenditure, fiscal consolidations and the economic activity", 2016
NIPE WP 11/2016	<b>Castro, Vitor</b> , "On the behaviour of the functional components of government expenditures during fiscal consolidations", 2016